

QHC  
Heritage and Sustainability  
Forum  
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Sustainable development and  
heritage values

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# 1 Introduction

## Structure of the talk

2. Perspective – review of key domestic and international studies
3. Value defined? Defining variables
4. What is emerging re sustainability and commercial property value
5. Likely impacts on value?



# 2 Perspective - review of key domestic and international studies

## 2.1 Scope

- timeframe limited to the last two decades
- 25 reports and articles reviewed plus a bibliography of some 160 individual pieces of source material was generated with 30 of these referring to TDRs, suggesting a focus of concern
- mostly Australian – predominantly Victorian, two from the USA and one (continuing) from the UK. See later
- small size of the sample recognised, hence hesitancy in the application of the results

## 2.2 Broad findings

- only 160 heritage references were found
- few Australian studies
- the majority of all studies were over 10 years old

# 2 Perspective - continued

## ■ 2.3 Principal outcomes:

- diversity
- market context is of paramount importance to the impact of listing on property value
- marginal impact on residential property
- future value of asset more certain than otherwise
- greater potential for negative impact on non-residential property
- nature of the heritage control is significant
- constraint to development potential (role of TDRs)
- relative insignificance of listing

# 2 Perspective - continued

## ■ 2.4 Limitations of studies reviewed

- sample size  
(**except** IPD: 10% of \$75 billion of property over 18 years)
- age of studies
- most studies lack statistical rigour
- prevalence of non-transactional values i.e. non-market evidence
- variations in degree and character of heritage controls
- focus on the built environment may exclude impact of other factors on value
- residential focus of many studies may limit relevance for other land-use types
- no consistent method of valuation was apparent

# 3 Defining variables

- Heritage listing – fairly self evident
- Heritage value – see following
- Sustainability metrics - evolving
- Property value – depends on context
  - Market value
  - Statutory value
  - Problems of access to info



# 3 Heritages values

## ■ Benefits of heritage

- Surveys by AGPC 2006 and Allen Consulting 2005
- To owner: aesthetic, use benefits – home, work, play; amenity; economic and financial
- To broader community: existence value; bequest value; option value; education; streetscape; tourism etc



## 4 Heritage, Value and Sustainability – combining the variables

- **Until carbon is priced** – i.e. the externality is included in the equation – sustainability is difficult to price and hence to value
- Common metrics required to
  - Identify and define
  - Then can be priced
  - Once priced, can be valued
- Don't blame the valuers

## 5 Likely impact on value?

- Depends on what measures are adopted and on market context
- An evolving field of study with great potential for maximising return on heritage listed property with commercial potential, *not just* office premises
- Opportunities for collaborative research will be warmly received...

Thank you

# Contact

A related paper is available entitled  
'The value of built heritage: community, economy  
and environment'

For a copy, email me @  
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